This listing of claims will replace all prior versions, and listing, of claims in the application:

Listing of Claims:

Claim 1 (original) A method of layered encoding, comprising:

(a) applying a base layer perceptual filter to a signal to yield a base layer filtered signal;

(b) finding a base layer estimate for said signal by base layer error minimization with said base layer filtered signal; and

(c) finding a first enhancement layer estimate for said signal by error minimization with a first enhancement layer perceptual filter applied to a error in said base layer after inverse filtering with said base layer perceptual filter,

(d) for j =2, ..., N, finding a jth enhancement layer estimate for said signal by error minimization with a jth enhancement layer perceptual filter applied to an error in said (j-1)st enhancement layer after inverse filtering with said (j-1)st enhancement layer perceptual filter, wherein at least one of said jth enhancement layer perceptual filters is weaker than said base layer perceptual filter.

Claim 2 (original) The method of claim 1, wherein:

(a) said estimates are synthesis filtered CELP excitations.

Claim 3 – 5 (canceled)

Claim 6 (new) A layered encoding, comprising:

(a) means for applying a base layer perceptual filter to a signal to yield a base layer filtered signal;

(b) means for finding a base layer estimate for said signal by base layer error minimization with said base layer filtered signal; and

(c) means for finding a first enhancement layer estimate for said signal by error minimization with a first enhancement layer perceptual filter applied to a

error in said base layer after inverse filtering with said base layer perceptual filter,

(d) for j =2, ..., N, means for finding a jth enhancement layer estimate for said signal by error minimization with a jth enhancement layer perceptual filter applied to an error in said (j-1)st enhancement layer after inverse filtering with said (j-1)st enhancement layer perceptual filter, wherein at least one of said jth enhancement layer perceptual filters is weaker than said base layer perceptual filter.

Claim 7 (new) The layered encoding of claim 6, wherein:

(a) said estimates are synthesis filtered CELP excitations.